Pure Vegetable
KRAFT
Shortening
NATURAL
AMERICAN
CHEDDAR CHEESE
Kay
Mt. hope
Natural
COLBY CHEESE
Sealtest
GRADE A PASTEURIZED HOMOGENIZED VITAMIN D MILK
KRAFT
PASTEURIZED
CHOCOLATE
MILK
Breakstone's
CALIFORNIA
STYLE
CREAMED COTTAGE
CHEESE
Breyers
KRAFT
FRENCH
DRESSING
KRAFT'S
Cheez Whiz
Kraft Mustard
Yogurt
SHARP
Cracker Barrel
fresh dipped
MIRACLE WHIP
MELLOW
Cracker Barrel
Cheese
NATURAL AMERICAN
from KRAFT
PARKAY
MARGARINE
COTTAGE
CHEESE
Breakstone's
CREAMED
COTTAGE
CHEESE
KRAFT
PASTEURIZED PROCESS
AMERICAN CHEESE
KRAFT
marshmallows
Deerfoot
FRANKFURTERS
CASINO
SWISS CHEESE
KRAFT
DINNER
MACARONI AND CHEESE
Cooks
in 7 minutes
De Luxe
SLICES
Old English
PASTEURIZED PROCESS
CHEDDAR CHEESE
PHILADELPHIA
CREAM CHEESE
KRAFT
NATURAL
SWISS
CHEESE
ICE CREAM
CHOCOLATE
Butter
UNSALTED
SWEET CREAM
Butter
DO NOT FREEZE
GARDEN SALAD
COTTAGE
CHEESE
LIGHT CREAM
KRAFT
olive pimento
PRESTIGE
STRAWBERRY
ICE CREAM
PRESTIGE
KRAFT
MAYONNAISE
COTTAGE
CHEESE
CREAM CHEESE
FRESH
Breakstone's
CREAM CHEESE
Pepper
Jalapeno
VELVEETA
a KRAFT product
PASTEURIZED PROCESS CHEESE SPREAD
VELVEETA
a KRAFT product
PASTEURIZED PROCESS CHEESE SPREAD
BIG
TOP
WHIPPING
CREAM
ICE CREAM
KRAFT
Romano
Cheese
from a Cone
to a Gallon

NATIONAL DAIRY
PRODUCTS CORPORATION

Annual Report • 1954

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

KRAFT
All Purpose
OIL
THE PERFECT LIQUID SHORT
KAFF-A
FOR STARTING GROWING CALVES
MacLaren's
Imperial
Cheddar
Club Cheese
Sharp
Sealtest
PASTEURIZED
BUTTERMILK
Breakstone's
SOUR CREAM
HUMKO
CHOCOLATE
Breakstone's
FRENCH
ICE CREAM
INDIVIDUAL SERVICE
Sealtest
SWEET CREAM
Butter Pats
SLIGHTLY SALTED
Breakstone's
FARMER CHEESE
Sealtest
EGG NOG
Sealtest
PASTEURIZED
MILK
Sealtest
ICE CREAM
Casino
FRENCH
DRESSING
KRAFT
KRAFT
malted milk
Breakstone's
FRENCH ICE CREAM
Sealtest
GRADE A PASTEURIZED
HALF 'N' HALF
HUMKO
Dainty OIL
for SALADS, COOKING and BAKING
BULK
HALF
GALLON
PEACH - VANILLA
KRAFT
grated
PARMESAN
cheese
Regency
ice cream
KRAFT
dairy fresh
Caramels
KRAFT
pimento
KRAFT
DeLuxe
SLICES
PASTEURIZED PROCESS
AMERICAN CHEESE
Breakstone's
POT CHEESE
Casino
GOUDA CHEESE
Sealtest
ICE CREAM
NEAPOLITAN
KRAFT mustard
Kraft
Mustard
NEW YORK SHARP
Cracker Barrel
Cheese
NATURAL CHEDDAR
from KRAFT
KRAFT
Parmesan
GRADE A LARGE
Sealtest
eggs
Tartar Sauce
DO NOT FREEZE
HEAVY
WHIPPING CREAM
Sealtest
SHARP
Old English
PASTEURIZED PROCESS
CHEDDAR CHEESE
Bacon
CHEESE FOOD
WITH BACON
Breakstone's
FRENCH
ICE CREAM
Miracle
Sandwich Spread
Made by Kraft
Breakstone's
BUTTER
CASINO
nuworld
Sealtest
SWEET CREAM
Butter
SALTED
KRAFT mustard
SUGAR CREEK BUTTER
ONE POUND NET
SUGAR CREEK CREAMERY CO.
TWIN SIZE
MOHAWK VALLEY
Genuine New York State
LIMBURGER CHEESE
MADE FROM PASTEURIZED MILK
KRAFT FOODS COMPANY · CHICAGO ILLINOIS
Sealtest
4 YELLOW
QUARTERS
KRAFT
roka blue
PASTEURIZED
CHEESE SPREAD
Sealtest
SWEET CREAM
Butter
Nippy
SHARP
SUGAR CREEK BUTTER
1 LB.
NET
MELLOW
Cracker Barrel
Sealtest
Breakstone's

To Our Stockholders:

WE are glad to present the 1954 Annual Report of National Dairy. Like our previous Reports, it is designed to give you a full and clear account of our financial record for the past year, and to tell you about other developments important to our growth.

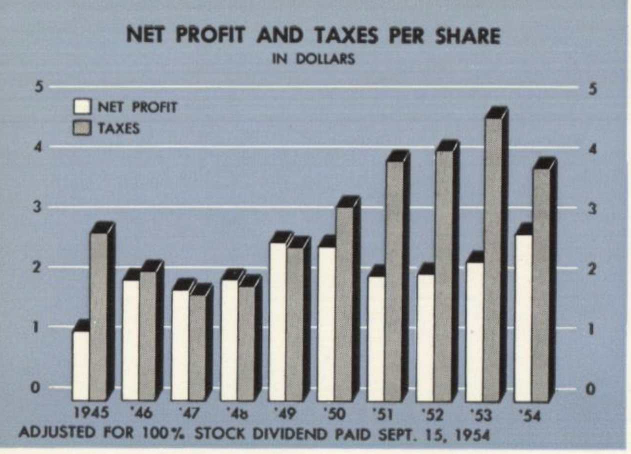
In addition, this Report considers the impact on our business of recent changes in the food industry. To be sure, the modern history of food is full of innovations. The new factor today is the gathering speed of change . . . in the demand for improved products, and in the capacity to produce and distribute them.

We trust our Report will give stockholders a complete picture of National Dairy today . . . and that it will show you how we met the challenge of change and faced the many other problems of 1954. After you have read it, we believe you will share our faith in the steady and continued progress of our business.

Stewart
President

Table of Contents

	Pages
105 of Our Main Products	Cover
To Our Stockholders	1
Review in Brief	2
Report of Management	3-5
Stockholders	6
Blueprint for Progress	7
Consumers	8-9
Employees	10-11
Producers	12-13
National Dairy—Today and Tomorrow	14-15
Consolidated Balance Sheets	16-17
Consolidated Profit and Loss and Surplus	18
Notes to Consolidated Financial Statements	19
Auditors' Certificate	19
10-Year Statement — Assets and Liabilities	20
10-Year Statement — Profit and Loss	21
Board of Directors, Committees and Officers	22-23
Principal Divisions	24



Review in Brief

OPERATING RECORD

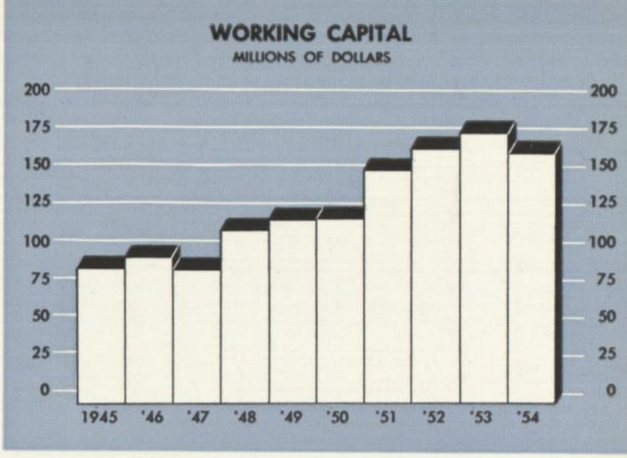
	1954	1953
WE RECEIVED INCOME:		
From the Sale of Products	$1,210,328,000	$1,232,126,000
From Other Sources	3,902,000	4,582,000
Total Income	$1,214,230,000	$1,236,708,000
WE INCURRED COSTS AND EXPENSES:		
Milk and Other Products	$ 660,758,000	$ 697,728,000
Wages and Salaries	211,522,000	203,724,000
Operating Services and Supplies	116,243,000	109,053,000
Packaging	86,059,000	82,932,000
Taxes	52,333,000	62,758,000
Repairs and Maintenance	24,149,000	24,089,000
Depreciation	22,782,000	22,513,000
Interest on Long-term Debt	2,991,000	3,074,000
Total Costs and Expenses	$1,176,837,000	$1,205,871,000
WE EARNED:		
In Total	$ 37,393,000	$ 30,837,000
On Each Dollar of Sales	3-1/10¢	2-1/2¢
On Each Share of Stock*	$ 2.77	$ 2.31
WHICH WAS DISTRIBUTED AS FOLLOWS:		
Retained in Business	$ 16,553,000	$ 10,984,000
Dividends to Shareholders	20,840,000	19,853,000
Per Share*	$ 1.55	$ 1.50

*After giving effect to payment of 100% stock dividend September 15, 1954.

FINANCIAL POSITION

	1954	1953
WE OWNED:		
Cash, Government and Other Marketable Securities	$ 82,322,000	$ 82,598,000
Accounts Due Us	49,231,000	50,733,000
Products, Materials and Supplies	111,912,000	107,306,000
Property, Plant and Equipment (net)	191,490,000	176,384,000
Investments and All Other Assets	11,510,000	7,946,000
Total Owned	$ 446,465,000	$ 424,967,000
WE OWED:		
For Materials, Services and Taxes (net)	$ 75,016,000	$ 58,897,000
Long-term Debt (Less Debentures in Treasury)	100,400,000	102,815,000
Reserves	2,631,000	14,398,000
Total Owed	$ 178,047,000	$ 176,110,000
NET WORTH:		
Difference between What We Owned and What We Owed	268,418,000	248,857,000
	$ 446,465,000	$ 424,967,000

(The statements of Consolidated Profit and Loss and Surplus will be found on page 18; Consolidated Balance Sheets on pages 16 and 17.)



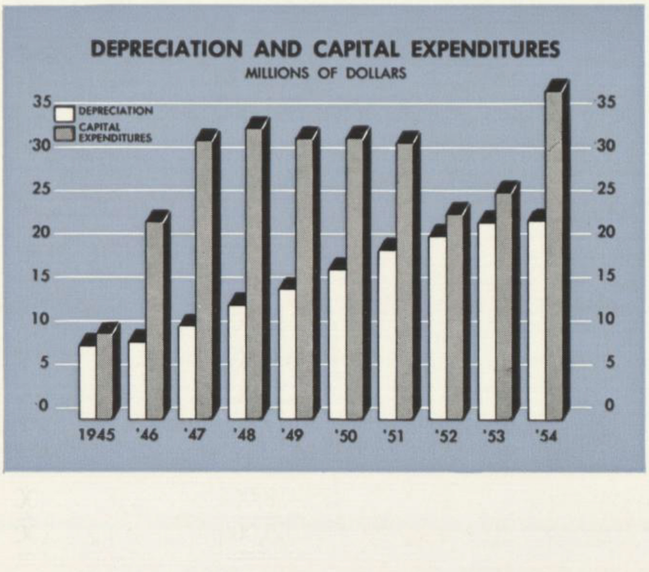
Report of Management

FOR NATIONAL DAIRY, 1954 was a year of change and of growth. Unit sales were at a new high; earnings after taxes were at their peak, and our dividends reached a record level.

For the first quarter of 1955, a dividend of 40¢ per share was declared. This continues the rate which was paid on December 10, 1954 on all shares outstanding after our two-for-one stock split last September.

In 1954, we increased our plant capacity and enlarged our marketing facilities to bring our products to more people in more places. We met keener competition and changing consumer demands with improved products. We also introduced several new ones.

Our payments to farmers for milk and other raw materials were again more than half of our total income from sales. We employed more people, and total employee earnings were higher than in any other year in the Company's history. Packaging, services and supplies and other operating costs increased. Hence, we placed further stress on operating economies and on sales volume.



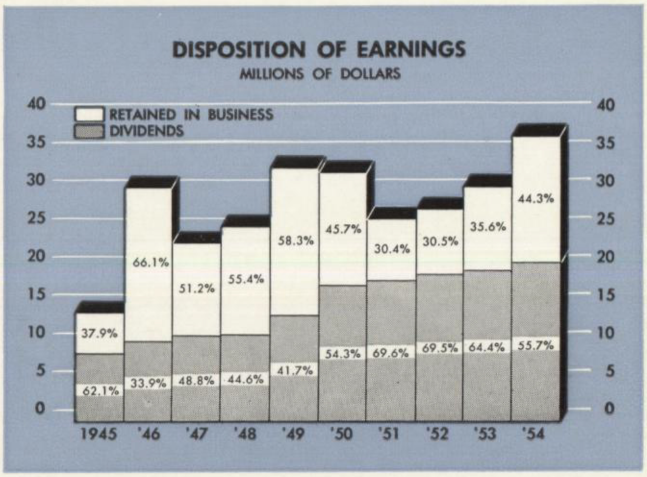
Despite many pessimistic predictions at the beginning of 1954, the national economy proved its vigor and stability. Consumer income, the mainstay of food sales, remained high, and tax relief increased individual purchasing power. Food supplies proved ample to satisfy the demand.

Our total unit sales were at higher levels for the year. However, due to lower prices to the trade and smaller sales to the Government under its price support program, dollar volume was a little less.

Our net profit rose for the third successive year. The end of the excess profits tax helped to increase our earnings. The large volume of foods processed and sold, and the use of more efficient equipment and methods also affected earnings favorably.

Cash dividends paid to stockholders last year totaled $20,839,743. A 100 per cent stock dividend was paid on September 15, 1954, putting into effect a two-for-one split of the Corporation's common stock. This will place our stock within reach of more investors, and should tend to increase the numbers of our stockholder-consumers.

To meet increased competition, we placed added emphasis in 1954 on merchandising. Aggressive advertising and sales promotions were backed by more intensive market research. Sales training programs were intensified in all our divisions.



Our plant and distribution facilities have been brought to high efficiency. In 1954, our capital expenditures totaled $37 million, the largest amount for one year in our history. Since 1945, the last World War year, we have invested over $270 million in modern equipment and new facilities for manufacturing and distribution. We plan to invest about $35 million more in 1955. This will raise the total for the post-war years to over $300 million.

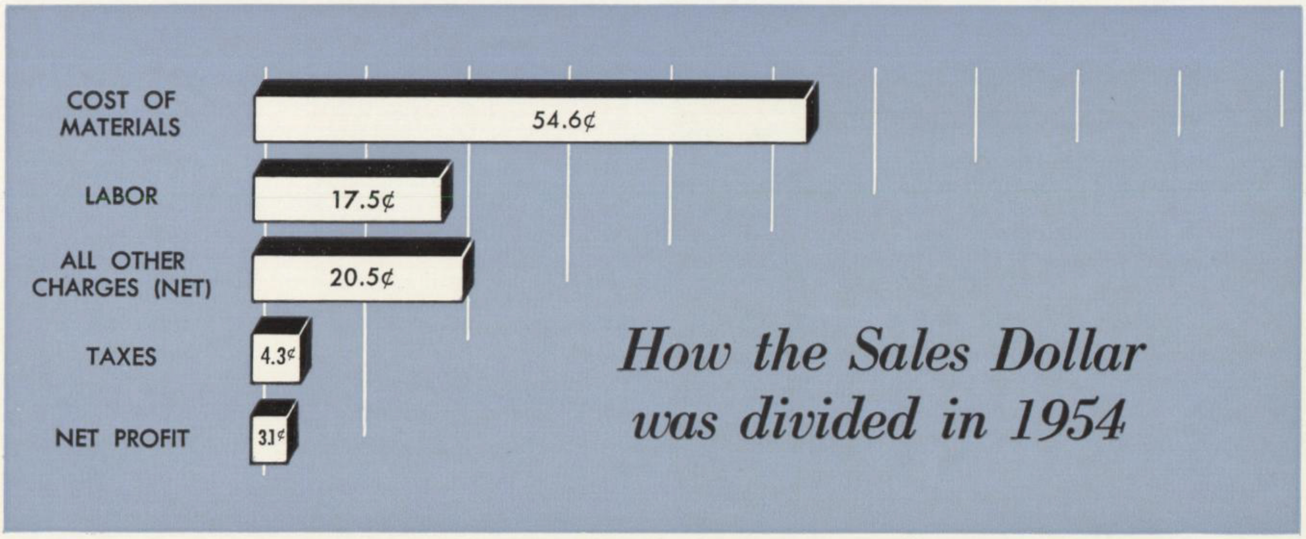
During 1954, three new plants were put into operation—a manufacturing plant for Kraft, and an animal feeds plant for Consolidated Products Company, at Springfield, Mo.; and another animal feeds plant for Consolidated at Lancaster, Pa. A new Sealtest milk plant built in Detroit, Mich., was opened in February of 1955.

New buildings nearing completion include combined manufacturing plants and distributing centers for Kraft at Montreal, Que., and New Ulm, Minn.; and a new Sealtest milk plant at Milwaukee, Wis. Our Sealtest milk plant at Hartford, Conn. is being remodeled and expanded. Existing plant facilities obtained in Sioux City, Ia. and Palmyra, Pa. were equipped during the year to make our new Kraft marshmallows. Kraft also opened a new sales branch at San Antonio, Tex.; and others are under construction at Needham, Mass., Nashville, Tenn. and Wausau, Wis. A distributing branch for Sealtest milk and ice cream was opened in January of 1955 in Atlantic City, N. J.

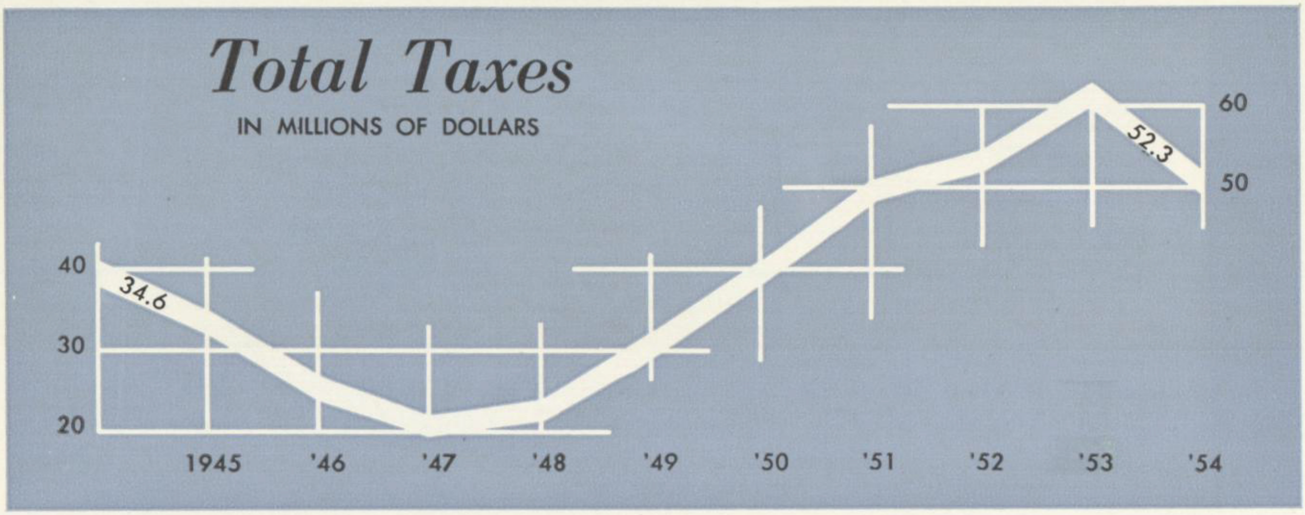
A new warehouse, including modern packaging lines, has been added to help handle the increased business of our Humko Company, whose vegetable oil refinery is located in Memphis, Tenn.

In 1954, we began to distribute milk and ice cream in the Wilmington, N. C. area. We also entered the Southwestern territory by starting the distribution of milk in Amarillo, Tex.; and, early in 1955, began to serve the city of Denver, Colo. and nearby communities with milk and ice cream.

Our foreign business is showing a gratifying increase. We are extending production and sales facili-



How the Sales Dollar was divided in 1954



ties to keep pace with the growing opportunities in the Canadian market for cheese, salad dressings and other Kraft products. In England, our sales gain is such that we expect to build a new Kraft plant there. We are also constructing a new plant in Australia. Surveys in Germany show that larger manufacturing facilities will soon be needed as additional products are introduced.

Our financial position at the end of the year was strong. Net worth amounted to $268 million compared with $249 million at the end of 1953. Working capital was $167 million. Other figures concerning the Company's operations appear in the Review in Brief at the beginning of this Report, and in the full financial statements on pages 16 to 21.

For many years we have emphasized the building of a sound management team as an important element of good administration. In recent years, to implement this plan, we have put special stress on building men through our management development activities. In 1954, a substantial number of executives were promoted to positions of greater responsibility. We are also giving constant attention to the young men who will someday succeed to executive positions in our organization. All this helps to develop leaders equipped to manage Company affairs in the future.

We look with confidence to the year ahead. As 1955 opened, the economy was in sound condition, and business indicators pointed upward. We are in a strong position to capitalize upon whatever new opportunities are afforded us.

We also expect another year of vigorous competition in the food industry, which we welcome. Our basic products are essential ones, and the demand for them is stable. Nevertheless, we are prepared for the kind of hard-selling activity which should insure our share of the growing market for quality foods made especially for convenient, time-saving use.

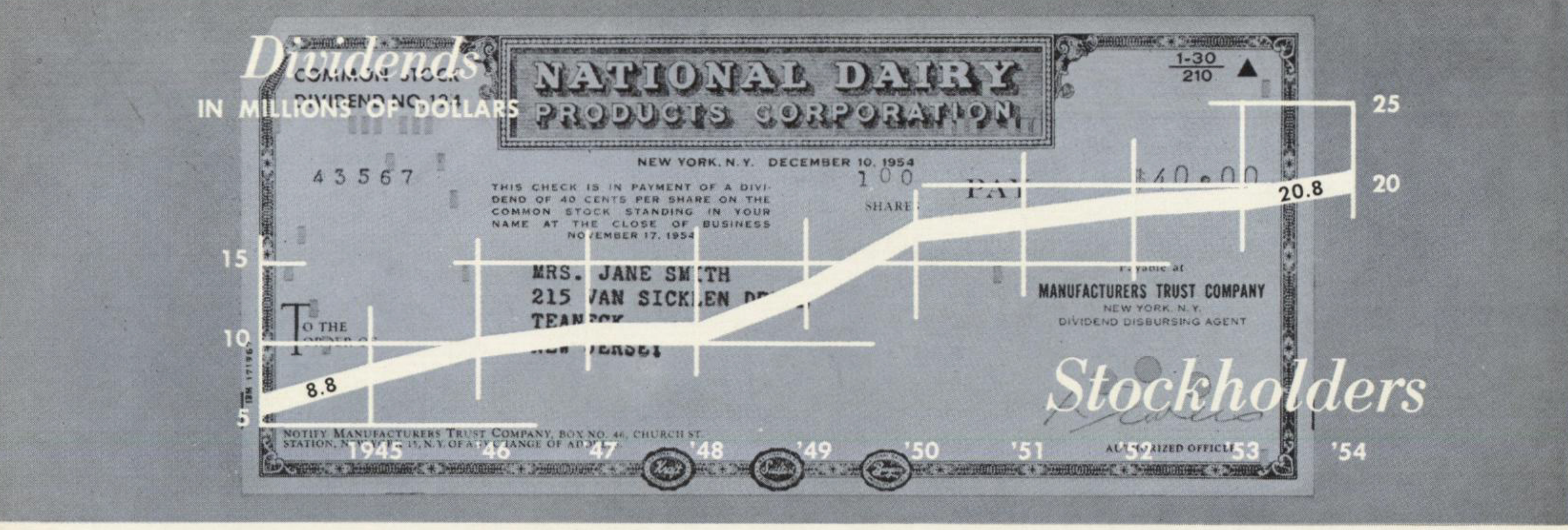
We are grateful to all members of the National Dairy family who made 1954 another successful year for the Company and its stockholders. We also thank our customers, our producers and other suppliers for their interest and cooperation. With their continued support, we can confidently set our sights for another year of change and of growth.

By order of the Board of Directors.

RAVan Bomel E E Stewart

Chairman of the Board *President*

New York, N. Y.
March 3, 1955.



IN 1954, our total dividends reached a new high for the 12th year in succession. We mailed our 124th consecutive cash dividend on December 10, 1954.

Previous quarterly dividends of 75 cents per share had been paid on March 10th and June 10th, and 80 cents per share on September 10th. On September 15, 1954 we paid a 100% stock dividend, accomplishing a two-for-one stock split. Thus each stockholder received an additional share for each share held on the record date August 17, 1954. A fourth quarter cash dividend of 40 cents a share was paid December 10th on all shares outstanding after the split. Adjusting for the stock split, a total of $1.55 a share was paid in 1954, as compared with $1.50 a share in 1953. Earnings per share for 1954 were $2.77 as against $2.31 in 1953.

After paying 1954 dividends, there remained to reinvest in the business $16,553,000. A substantial portion of retained earnings will be used for capital assets such as land, buildings, machinery, transportation facilities and other equipment, as well as for added working capital.

Return on the sales dollar was 3-1/10¢ in 1954, as against 2-1/2¢ in 1953.

Holdings of National Dairy stock continue to be widely distributed. There were 63,177 stockholders at the year-end. The average stockholding was 213 shares, with no one stockholder owning more than 1.5 per cent of the total.

About 63 per cent of the outstanding shares is held of record by individual investors in this country and abroad. Approximately 37 per cent is registered in the names of brokers, banks, trust companies and other financial institutions which manage investments for thousands of other individuals. Thus the dividends from our stock are used by a cross-section of American people and institutions, and in turn put to use by them in their communities.

More than 523 non-profit organizations have invested in the stock of our Company. Included are 92 colleges, universities and other educational institutions; 126 churches and religious orders; 42 charitable agencies; 45 hospitals; 89 societies and associations; 85 homes and other types of shelters, and 44 foundations. This is an increase of 38 institutional holders during the last year. In addition, we number 102 insurance companies among our stockholders.

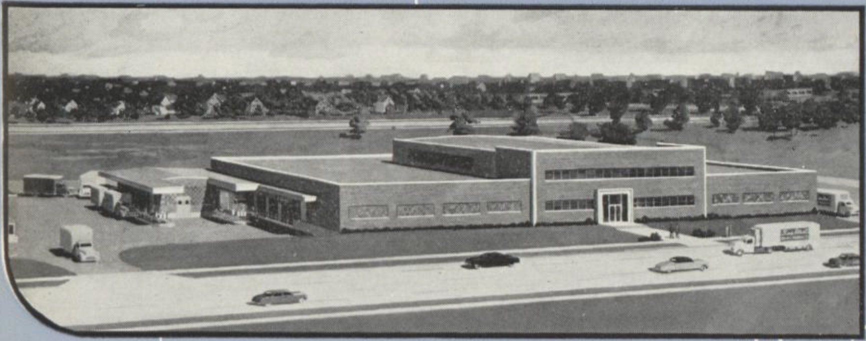
At the year-end, we had located 512 of our "lost" stockholders, whose dividend checks had been returned unclaimed, and paid them a total of $21,885 in accumulated dividends.

3,000 dividend checks an hour are handled by this inserting machine at our bank of transfer. About 250,000 checks were mailed last year to our stockholders.

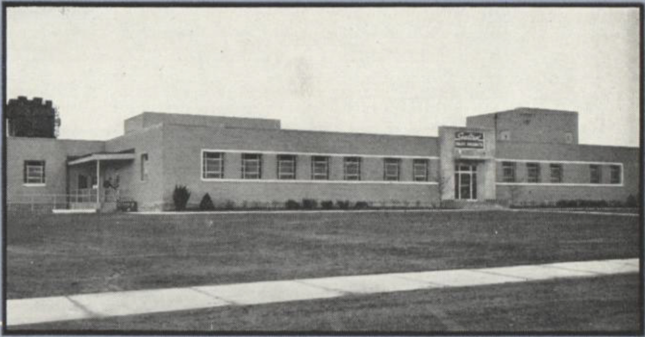
Blueprint for Progress

F.D.

Our new Kraft plant at Springfield, Mo. which went into operation in 1954.

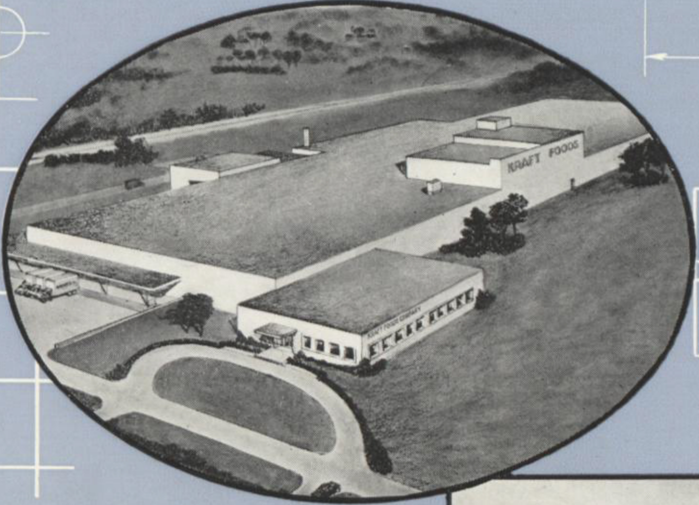


New Sealtest milk plant built in Milwaukee nears completion.



Sealtest milk plant newly-built and recently opened at Detroit.

STOR



PLAINS CREAMERY

Southwestern link in our milk distribution at Amarillo, Tex.

STORAGE BOILER

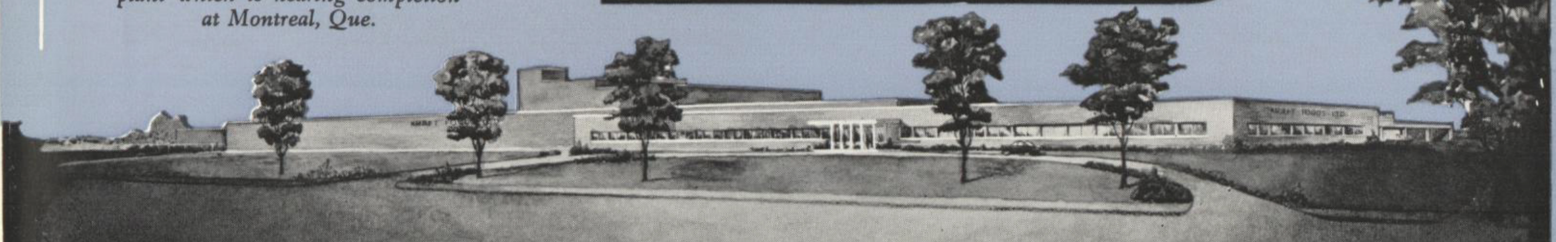
12' 8"

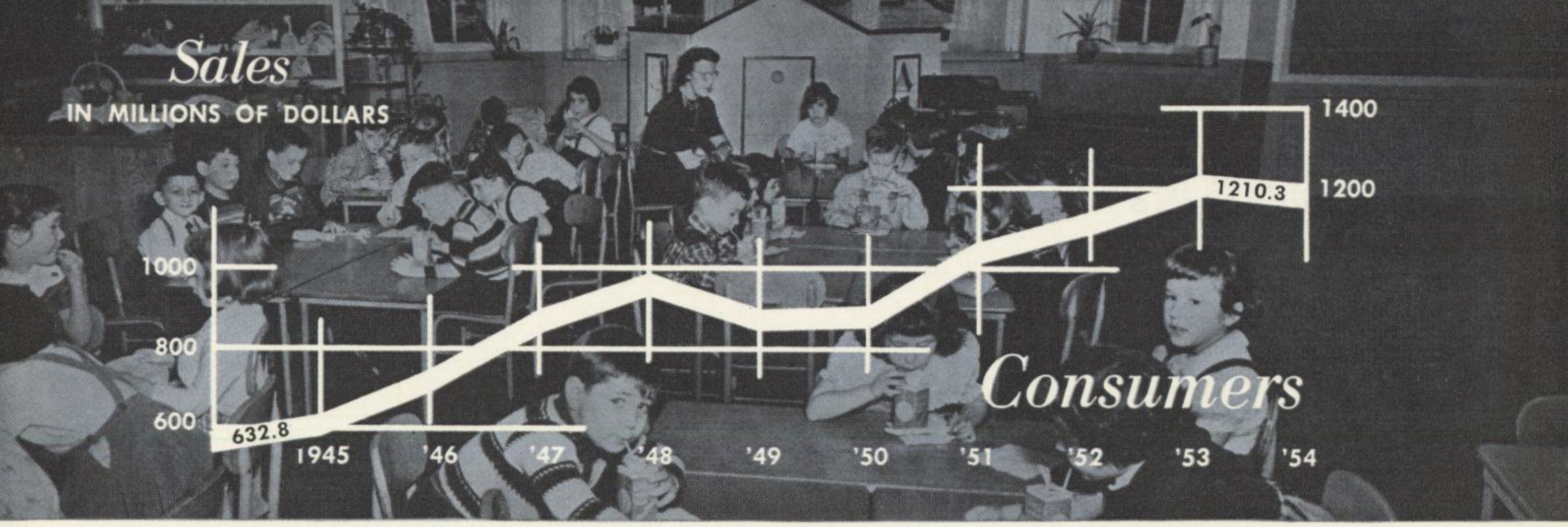
Above: New Kraft plant at New Ulm, Minn., which will start operations later this year.

At right: Plant obtained at Palmyra, Pa. and remodeled to produce our new marshmallows.

KRAFT FOODS COMPANY

Sketch for Kraft's new Canadian plant which is nearing completion at Montreal, Que.





IN 1954, we faced the many problems created by increased demand and changing consumer desires. We distributed our dairy products and other essential foods to more people than ever before. We also competed aggressively in the expanding market for foods processed and packaged for greater consumer convenience.

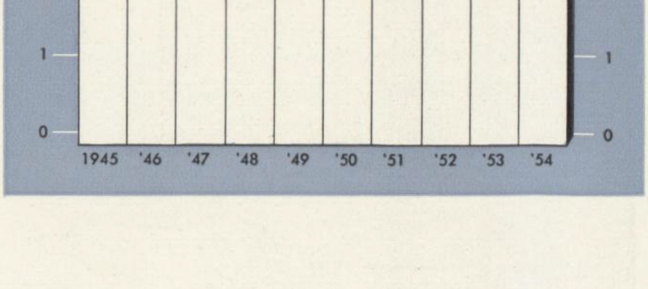
Americans long have been accustomed to buying foods of high quality. But today they also expect and get products in a form which will save time, work and storage space, and help prevent waste and spoilage. The drive of the food industry to keep up with such demands has outstripped the great population growth of recent years. Since 1940, the population has gone up 23 per cent... but the production of processed foods has gone up 50 per cent. In 1954, the bill for all food consumed in the United States reached the all-time high of $64 billion. This represents about 25 per cent of the average per capita income.

Much of this increase is due to changes in food habits. The American family today not only eats more food of better quality; it chooses the product having the greatest variety of use and ease of preparation. Many women now have day-time jobs, or other outside interests, and all women want relief from kitchen drudgery. To modern housewives, the ability to cook a savory, nutritious meal...quickly, easily and with a saving in energy...is a matter of importance.

The competition to satisfy these requirements is intense. The consumer today can select from more than 5,000 items in the supermarkets, as against 1,000 items in 1940. And the housewife using easy-to-serve foods can now save an estimated four hours a day preparing meals for four people, as compared with 1940.

The tests imposed by this exacting market are met by our wide range of products. For the consumer, we stress wider selection; more compact, easy-to-store packaging, which will preserve quality longer; and varied container sizes to reduce grocery trips and meet the needs of families of differing sizes. Here are just a few examples of products we have tailored for this market... ready-sliced cheese in plastic wrappers ...frozen sausages...margarine that "spreads-when-ice-cold"...high-quality packaged cottage cheese... choice flavors of ice cream in convenient half-gallon packages for home freezers.

Last year we sold to our customers in the United States and Canada a total of $1,210,328,000 worth



Rehearsing a step-by-step recipe demonstration for a commercial on the Kraft Television Theatre which will be seen by millions of consumers.

A singing commercial is rehearsed for the first, experimental color telecast of our Sealtest Big Top television show on January 15, 1955 over CBS.

of products. In achieving such a total, the locations of our modern plants and distributing branches play an important role.

Direct communication with consumers is also vital to our sales effort. Here we must combine the powers of advertising and selling with the utmost effectiveness. But first we must understand the consumer—what she wants now and what she is likely to want in the future. To this end, we utilize the skills of many experts in advertising and marketing techniques. In 1954 we broadened our program of market research to analyze the "why, how, when and where" of consumer buying.

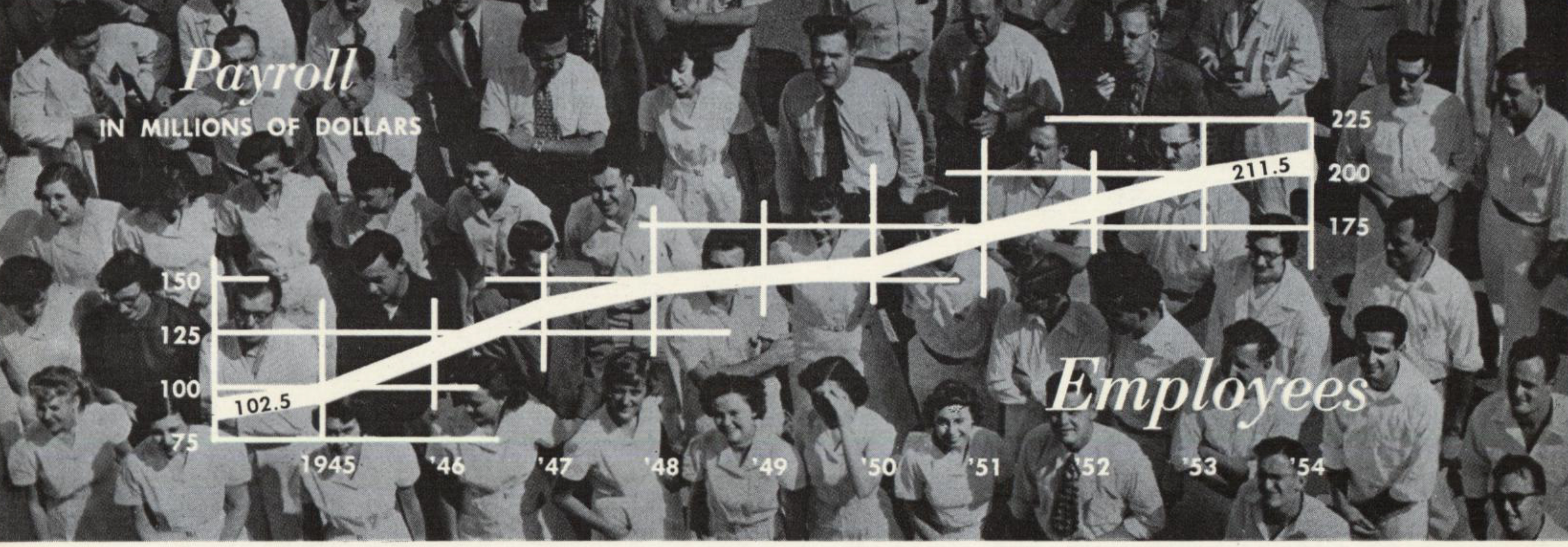
The story of Sealtest and Kraft, and the products they represent, is often told in terms of new promotions, in the magazines and newspapers and over radio and television. Our other brands, like Breyers, Breakstone, Deerfoot and Humko are also advertised effectively in their particular market areas.

Our principal network television shows—the Kraft Television Theatre and the Sealtest Big Top—rank among the most popular of the day. Our television commercials, like our published advertising, promote our trademarks and are designed to build consumer confidence in our products. Menu ideas and recipes, representing new product uses, are originated by our consumer services and presented to homemakers through advertising and publicity.

Above: Airport kitchen, showing use of Kraft "portion control" packages with individual servings of syrup, jams and jellies.

Dietitians at Lebanon Hospital in New York stock patients' trays with specially-packaged servings of Sealtest milk, cottage cheese and butter pats.

Demonstrations for women's groups explain new uses for products.



TO keep abreast of the changing activities of our business and meet the challenge ahead, we depend upon the men and women who work for National Dairy. The average number of our employees during the year was 45,733, and our payroll amounted to $211,522,000.

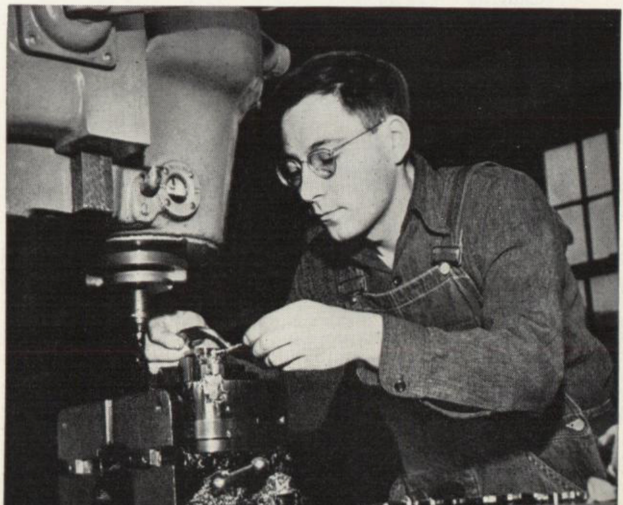
In addition to wages, our employees have the protection of many benefits, of material value to them, which add substantially to our employment costs. The cost to the Company last year for employee benefits—including the Company's pension plans and insurance programs as well as social security, workmen's compensation insurance and the Company's contributions to pension and welfare plans under market-wide contracts—amounted to $14.1 million, as against $13.8 million in 1953.

Our Group Insurance program, which was first made available in 1930, offers employees term life insurance and accident and sickness insurance at low rates, with a share of the cost paid by the Company. At the end of last year, there was in effect $1.2 million of weekly accident and sickness insurance coverage, and the total amount of group term life insurance carried by active and retired employees was $159.0 million.

The group life insurance portion of the program was amended during the year to revise the provision for insurance coverage after retirement and to increase the maximum amount of coverage available during service. Employees may carry life insurance approximately equal in amount to their annual compensation, contributing through payroll deductions a substantial part of the group policy premium. Subject to the terms and conditions of the plan, life insurance is continued after retirement at Company cost for participating employees with long years of service, in amounts stepping down annually from the amount in force during service to a maximum of the higher of 25% of that amount or $1,000.

Our non-contributory pension plan was also amended in 1954 to make available to employees of the Company and its divisions pension benefits of $45 a month for employees having 30 or more years of service at age 65, with a lesser pension for fewer years of service. This pension is in addition to the employee's Social Security benefits. Heretofore, our pension formula provided a gross pension from which an amount equal to primary Social Security benefit was deducted. Action by the Board of Directors of each subsidiary is necessary to make the change effective for participating groups of its employees.

Drill press operator at Evanston, Ill. machine shop, where Kraft equipment is repaired, tested and improved.

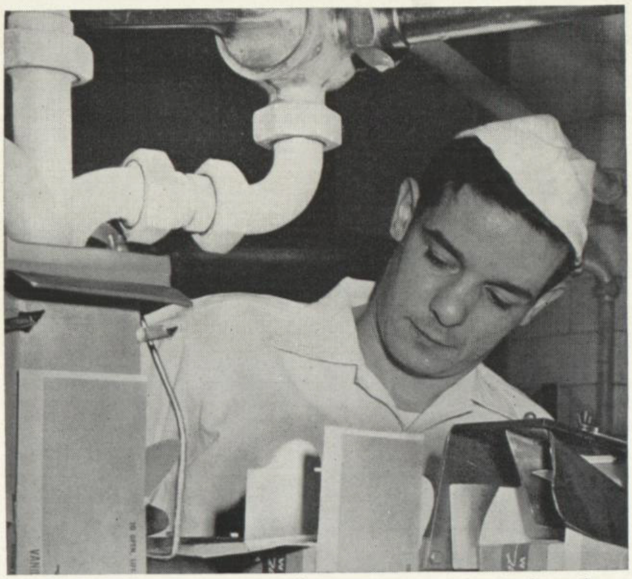


Our retirement programs are designed particularly to benefit employees in relation to their years of service. To maintain the exacting standards of our business, our employees must be highly skilled and thoroughly reliable. Long service tends to insure the development of these attributes, and we are proud of the many employees who have served the Company so faithfully and well for so many years. Their help is invaluable to our efforts to provide younger workers with on-the-job training and instruction in specialized skills.

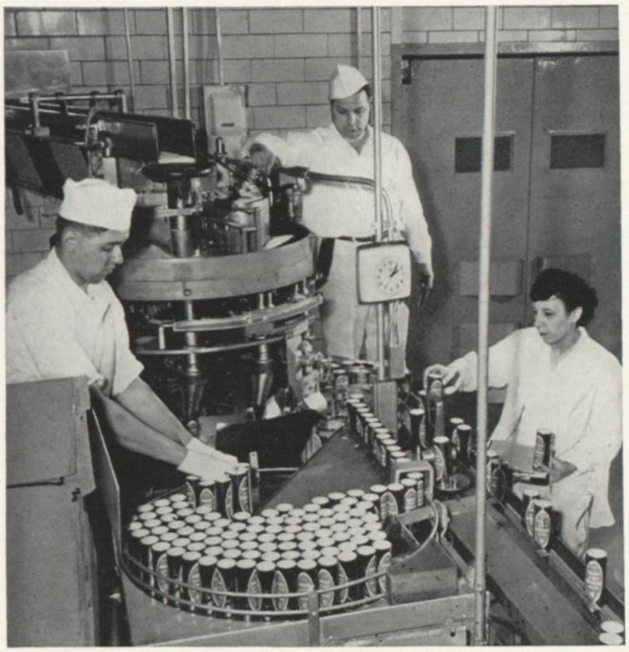
Our companies carry out several kinds of training programs—in sales, plant production, accounting and office procedures. All of them have a common objective—to help make the employee more productive and useful to himself and to the business.

In building for the future, the need also becomes more pressing for securing employees with good technical and general education. We therefore work with schools and colleges in recruiting promising employees.

One tangible reflection of the reliability of employees is the Company's good safety record. Our employee injury rate for 1954 decreased 12.3% from our previous year's low level. This rate was approximately one-third less than that of the dairy industry as a whole, and was the lowest since we established our accident-prevention program in 1929. Our rate for motor vehicle accidents in 1954 was also the best we have ever had, and is 30% lower than the industry rate.

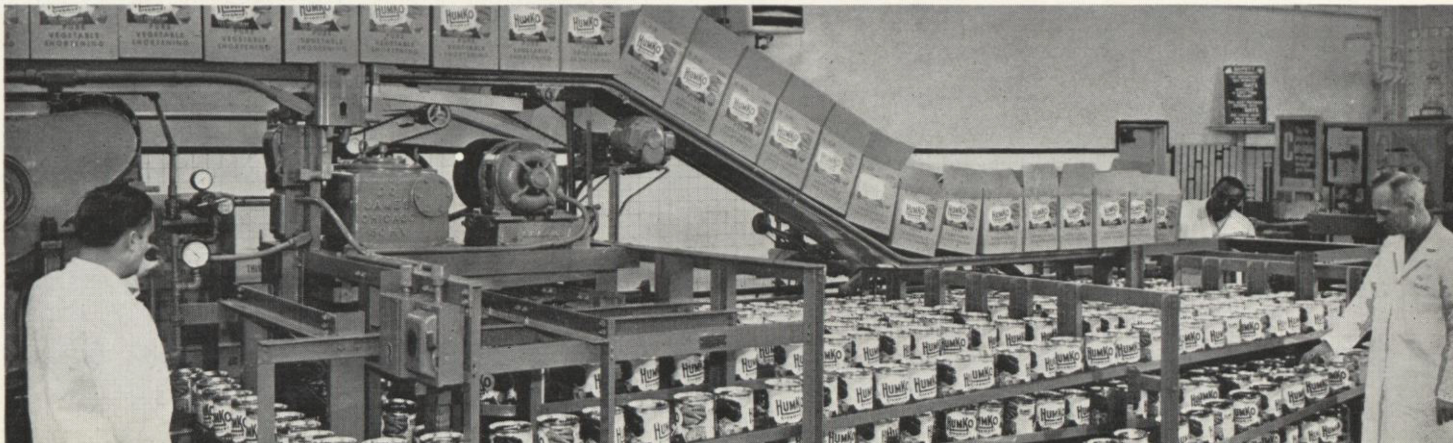


Filling half-gallon cartons of ice cream on a typical production line at a Sealtest plant.

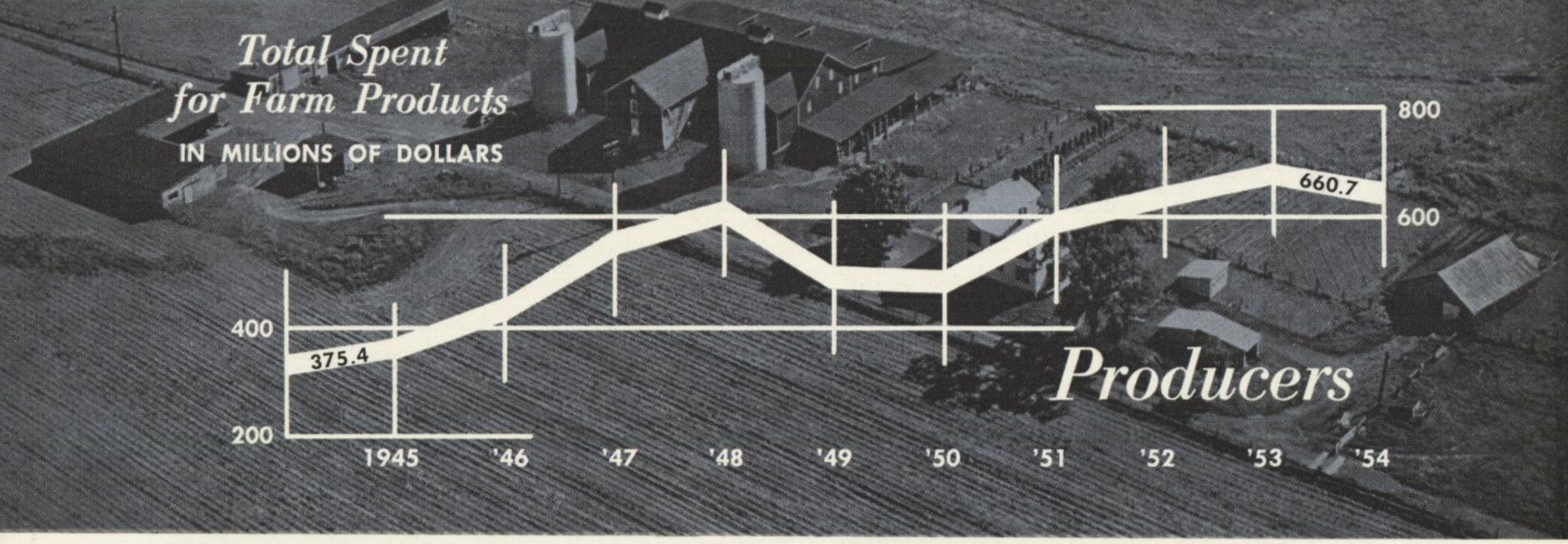


Above: Grated Parmesan cheese reaches packaging line manned by Kraft employees at Chicago plant.

Newly-designed containers of Humko shortening are guided along packaging conveyor prior to being placed in the shipping cartons seen at top of picture.



Producers



VAST changes have taken place in recent years in American dairy farming. National Dairy companies have contributed to these changes in several ways—through agricultural research to increase the production of milk; through direct technical aid to our milk producers, and through the use of milk by-products in animal feeds.

We have thus taken a role in an evolution which finds farmers today with an ability to produce unmatched in the nation's history. This is the result of new knowledge in using fertilizers and soils, in growing grasslands, in feeding, in breeding plants and animals, in controlling diseases and insects.

Greater use of electricity and mechanized equipment has enabled fewer farm workers—one-third less than 35 years ago—to produce enough for a population which is 55 per cent greater. In no other country today do so few farmers produce so much food at such a relatively low cost.

Dairy farmers have been in the vanguard of these developments. Total output of milk stood at a record 123½ billion pounds in 1954, and production of an equal supply is foreseen in 1955. The Government expects that many farmers will emphasize dairy enterprise in an effort to utilize their resources more fully.

Dairying furnishes American farmers with their largest single source of cash income. However, the high investment in dairying now calls for scientific management and labor-saving practices to make it pay. The work of our farm field services thus is of practical and continuing value to producers.

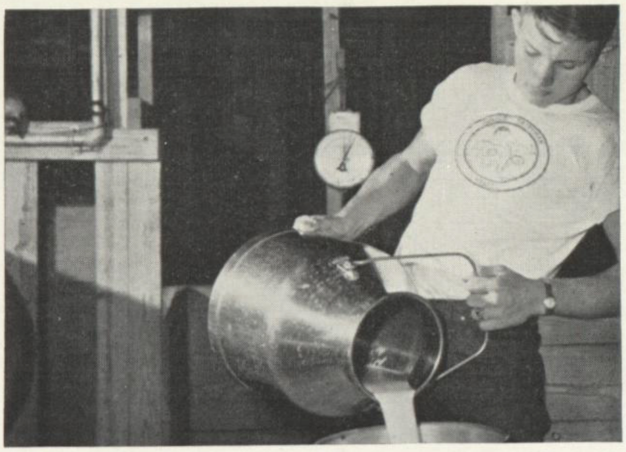
Our fieldmen are specialists in herd improvement, pasture development, sanitation and dairy farm management. They cooperate with farmers on our common problem—to maintain and increase the flow of quality milk to plants and receiving stations. In addition, hundreds of farmers annually receive practical instruction in feeding at the two experimental farms operated by our Consolidated Products Company, manufacturer of animal and poultry feed supplements, with headquarters at Danville, Ill. These feeds, sold to farmers throughout the country, are processed from milk by-products.

Our work and friendship over the years with farmers have resulted in a long list of producers for whom we provide a steady market. In 1954, we paid a total of $660,758,000 for milk and other farm products.

Many farm boys and girls are learning the first lessons of successful farming with the help of our fieldmen and plant managers. Four out of five American farms are family-owned and operated. Today's farmer, young or old, must be something of a mechanic, an engineer, an economist, a veterinarian and an agronomist. In the effort to find better techniques, more skillful farm management and better marketing opportunities for American dairymen, we will continue to do our part.

Harry M. Moore and sons, of Strassburg, Pa. He has supplied milk since 1907 to our Sealtest company in Philadelphia.

Wanda Lee Payne of Enon, Mo., with the calf which is her personal stake in the dairy business.



Martin Howard of Booneville, Miss., winner of award for milk production in our Junior Dairyman program.

Little Donna McMaster of Benton County, Ark. begins farm lessons by learning to feed pet calf.

Sealtest
MILK
ELLE VERNON

Henry Miller of Findlay, O., milk hauler, discusses farmers' records with Sealtest fieldman.

Eleanor Henry, teacher in one-room school of Morewood, Ontario, also finds time for dairying.

Below: Pine Grove, Ky. dairyman and fieldmen of our Sealtest company in Louisville survey pasture that won district prize.

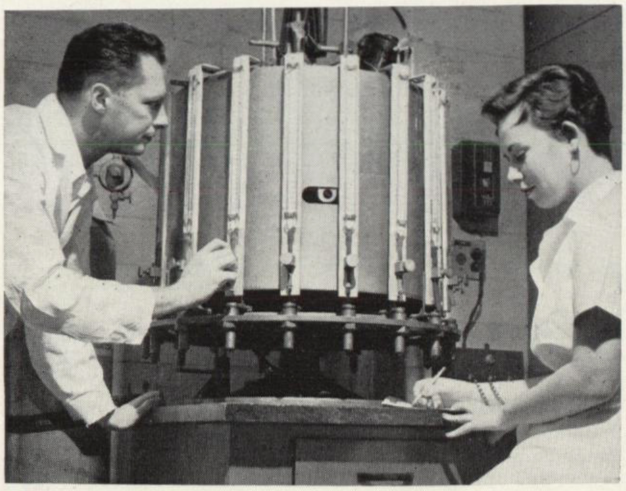
Kraft All Purpose Oil
Kraft Shortening
Humko
Breakstone's Sour Cream
Breakstone's Chocolate French Ice Cream
Sealtest Buttermilk
Sealtest Egg Nog
Sealtest Pasteurized Milk
Sealtest Ice Cream
Kraft Miracle French Dressing
Kraft French Dressing
Sealtest Vitamin D Milk
Sealtest Chocolate Milk
Kraft Cheez Whiz
Yogurt
Kraft Mustard
Kraft malted milk
Humko Dainty Oil
Sealtest Half 'N' Half
Sealtest Cottage Cheese
Breakstone's Creamed Cottage Cheese
Kraft's Parkay Margarine
Miracle Whip
Kraft Marshmallows
Kraft Caramels
Pot Cheese
Kraft grated

NATIONAL DAIRY—*Today and Tomorrow*

THE constant changes in the marketplace have a special significance since our business is essentially in perishable foods. Fresh supplies must be processed regularly and distributed in a series of fast and highly complex operations. Throughout, we must maintain the most exacting standards and the highest quality. And we must strive always to find ways of doing things which will be still better and more economical.

Our story is therefore a story of teamwork in accomplishing this difficult two-fold task. The team in action includes many specialists—scientists, technicians, engineers, inspectors, production experts, merchandisers, distributors—to mention but a few. The job of each one is to uphold—at every step in processing and selling a product—the pledge of purity, quality and flavor which our trademarks signify. Only thus can we merit the favor of the consumer who daily casts a vote on our products in the marketplace.

Measuring the activity of enzymes on dairy products at our Oakdale, L. I. laboratories.



Good teamwork requires close communication and coordinated action. The flow and quality of our milk supply is supervised directly at the farm and receiving station. Our inspectors frequently visit the plants to check housekeeping, sanitation and maintenance. Engineers help solve manufacturing problems and analyze processes. Technicians in our plant control laboratories test samples of products at various stages of processing to insure adherence to specifications.

Research and Product Development

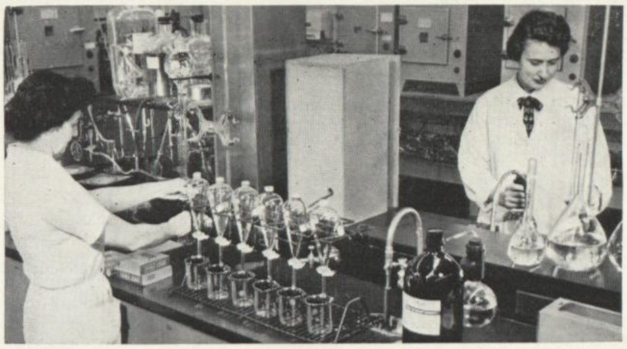
These high standards of quality have been created after years of study and experience. Many of the products we sell today originated in our own laboratories; while, through cooperative effort, constant improvements have since been effected in processing them. Food scientists work hand-in-hand with technical experts and engineers in our plants to achieve lower costs, better manufacturing methods and extension of the Company's knowledge of equipment and materials. We conduct continuous research in packaging to determine which containers will best protect the product and withstand shipping and handling.

Our main laboratories are at Oakdale, L. I., and Glenview, Ill. At Oakdale, in addition to fundamental research in food technology, the laboratory staff actively serves the needs of our dairy products divisions and other specific areas of the business. The Glenview laboratories are operated in behalf of the operations of our Kraft Foods Company. Laboratory work is coordinated through committees, and research findings are quickly communicated to our operating divisions.

Testing Results with the Product

Thus, all along this lifeline of food, cooperation is the watchword. Forging the final link, market and consumer tests evaluate the shelf-life of the product; the public response to its appearance; the salability of its packaging; the acceptance of its flavor, and the convenience and variety of its uses in the home. New products—such as our Cracker Barrel Natural Cheese and Kraft marshmallows, introduced in 1954—emerge as important results of this entire cooperative effort.

From farm to receiving station . . . from laboratory to production line . . . from plant to consumers, the keynote is "proof-by-test," and the goal is improvement of product and service. Our trademarks mean the ultimate in appetizing, wholesome foods to millions of consumers . . . while to grocers, druggists, and food-service managers they denote a fine product—easily identified, attractively packaged and quickly sold.



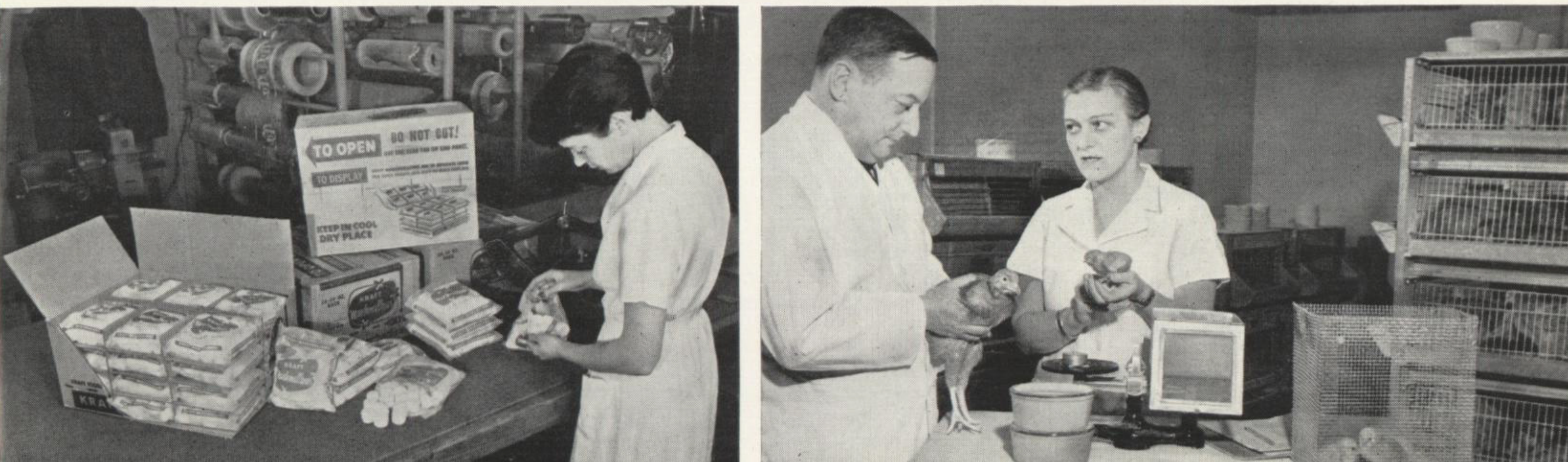
Developing data for quality control of products in the analytical branch of the Kraft laboratories.

Cracker Barrel Cheese
NATURAL AMERICAN
from KRAFT
MELLOW
Cracker Barrel Cheese
NATURAL AMERICAN
from KRAFT

Packaging research with foil wrappings helped preserve the rare quality of our new Cracker Barrel cheese.

Above: Scene in our Humko company's laboratories at Memphis, where experiments are conducted with vegetable oils.

Below, left: Packaging and shipping specifications for our new marshmallows are tested at the Glenview, Ill. laboratories of Kraft. Below, right: Nutritionists at Oakdale study growth results in chicks fed with milk products.



NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC AND CANADIAN SUBSIDIARY COMPANIES

Consolidated Balance Sheets

ASSETS

	December 31	
CURRENT ASSETS:	1954	1953
Cash	$ 61,267,446	$ 60,529,028
U. S. Government and other short-term securities, at cost	21,054,093	22,069,362
Notes and accounts receivable, less reserve	49,231,210	50,732,709
Inventories, lower of average cost or market—		
Products and materials	97,485,146	93,861,756
Supplies	14,426,524	13,443,691
Total Current Assets	$243,464,419	$240,636,546
INVESTMENTS AND OTHER ASSETS:		
Subsidiaries not consolidated—		
English, Australian and German	$ 3,773,673	$ 3,955,621
Less—Reserve for investments	None	3,000,825
	$ 3,773,673	$ 954,796
Domestic	5,100	7,472
Miscellaneous investments, deposits and receivables, less reserves	4,212,934	2,956,268
	$ 7,991,707	$ 3,918,536
PROPERTY, PLANT & EQUIPMENT (Stated substantially at cost):		
Land	$ 13,846,204	$ 13,523,061
Buildings	107,905,172	98,878,040
Machinery and equipment	225,904,108	206,792,182
	$347,655,484	$319,193,283
Less—Reserve for depreciation	156,165,148	142,809,683
	$191,490,336	$176,383,600
PREPAID AND DEFERRED ITEMS	$ 3,518,146	$ 4,027,943
GOODWILL	$ 1	$ 1
	$446,464,609	$424,966,626

(See Notes to Consolidated Financial Statements, page 19.)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC AND CANADIAN SUBSIDIARY COMPANIES

Consolidated Balance Sheets

LIABILITIES

	December 31	
CURRENT LIABILITIES:	1954	1953
Accounts payable and accrued liabilities	$ 72,078,337	$ 58,281,355
Provision for Federal and Canadian taxes on income	36,334,225	49,728,671
Less—Short-term U. S. Government securities	(33,397,000)	(49,113,000)
Debenture sinking fund requirements and Note due within one year, less Debentures held in treasury ($1,000,000 in 1954 and $1,035,000 in 1953)	1,750,000	1,415,000
Total Current Liabilities	$ 76,765,562	$ 60,312,026
LONG-TERM DEBT:		
2¾% Debentures due 1970 (Minimum annual sinking fund requirements: 1956-1969—$1,500,000 principal amount)	$ 42,000,000	$ 43,000,000
3% Debentures due 1970 (Minimum annual sinking fund requirements: 1956-1959—$900,000 principal amount; 1960-1969—$1,200,000)	26,100,000	27,000,000
3⅛% Debentures due 1976 (Minimum annual sinking fund requirements: 1956-1964—$600,000 principal amount; 1965-1975—$900,000)	28,800,000	29,400,000
3⅛% Notes (Due serially in Canadian funds $250,000 on December 1, each year 1956-1962)	1,750,000	2,000,000
	$ 98,650,000	$101,400,000
RESERVES:		
Prior years' Federal and state taxes	$ None	$ 11,859,059
Insurance, minority interest and other	2,630,841	2,538,659
	$ 2,630,841	$ 14,397,718
CAPITAL STOCK AND SURPLUS:		
Common stock, authorized 16,000,000 shares— Issued and outstanding (1954—13,479,845 shares, par value $5 per share; 1953—6,659,683 shares, par value $10 per share)	$ 67,399,225	$ 66,596,830
Capital surplus, per statement attached	4,778,636	1,608,193
Earned surplus, per statement attached	196,240,345	180,651,859
	$268,418,206	$248,856,882
	$446,464,609	$424,966,626

(See Notes to Consolidated Financial Statements, page 19.)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC AND CANADIAN SUBSIDIARY COMPANIES
Statements of Consolidated Profit and Loss and Surplus

CONSOLIDATED PROFIT AND LOSS

	Year Ended December 31	
	1954	1953
INCOME:		
Net sales	$1,210,328,531	$1,232,125,776
Other income	3,901,795	4,581,995
Total	$1,214,230,326	$1,236,707,771
INCOME DEDUCTIONS:		
Cost of products	$ 874,950,136	$ 912,586,252
Delivery expense	128,995,552	126,711,369
Selling expense	84,678,653	76,245,186
General and administrative expense	44,985,596	36,318,092
Miscellaneous charges—net	736,179	410,781
Interest on long-term debt	2,991,198	3,073,922
Provision for Federal and Canadian taxes on income (including $7,365,000 for Federal excess profits taxes in 1953)	39,500,000	50,525,000
Total	$1,176,837,314	$1,205,870,602
NET PROFIT FOR THE YEAR	$ 37,393,012	$ 30,837,169

The provision for depreciation charged to costs and expenses amounted in 1954 to $22,781,894 and in 1953 to $22,513,197.

CONSOLIDATED EARNED SURPLUS

Balance at beginning of year	$ 180,651,859	$ 170,687,439
Net profit for the year	37,393,012	30,837,169
Reduction of reserve for prior years' Federal income taxes	3,281,954	None
Elimination of reserve for foreign investments no longer required	2,336,346	None
	$ 223,663,171	$ 201,524,608
Deduct:		
Dividends on common stock	$ 20,839,743	$ 19,853,336
Accrual for vacation pay applicable to prior years	4,977,085	None
Expenses paid in 1954, applicable to 1953, less Federal income taxes relating thereto	1,605,998	None
Transfer to common stock in connection with change on April 20, 1953, from shares without par value to $10 par value	None	1,019,413
	$ 27,422,826	$ 20,872,749
Balance at end of year	$ 196,240,345	$ 180,651,859

CONSOLIDATED CAPITAL SURPLUS

Balance at beginning of year	$ 1,608,193	$ None
Excess of consideration received over par value of shares issued since April 20, 1953	3,238,348	1,608,193
Credit resulting from the reduction in par value of common stock from $10 to $5 per share on April 19, 1954	33,548,795	None
	$ 38,395,336	$ 1,608,193
Deduct—Transfer to common stock in connection with 100% stock dividend on September 15, 1954	33,616,700	None
Balance at end of year	$ 4,778,636	$ 1,608,193

(See Notes to Consolidated Financial Statements, page 19.)

COMPTROLLER'S CERTIFICATE

The foregoing financial statements have been prepared under my direction from the companies' books kept under my supervision and, to the best of my knowledge and belief, fairly state the consolidated position of National Dairy Products Corporation and domestic and Canadian subsidiaries as of December 31, 1954 and the consolidated operations for the year ended on that date.

New York, N. Y., March 3, 1955.

A Boag Jr. *Comptroller*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS . . . DECEMBER 31, 1954

PRINCIPLES OF CONSOLIDATION

All subsidiary companies have been included in consolidation except a mutual insurance company, one minor partially owned company and the subsidiaries in England, Australia and Germany. Net sales of the foreign subsidiaries excluded from consolidation aggregated $50,272,404 in 1954 and $46,133,739 in 1953. The Company's equity in the net profit of such subsidiaries was $2,477,348 in 1954 and $2,185,147 in 1953, and equity in the net tangible assets at December 31, 1954, stated at the rates of exchange prevailing at that date, amounted to $11,155,457. Dividends of $189,244 in 1954 and $654,903 in 1953 were credited to profit and loss. The balance of the reserve for investments in foreign subsidiaries at December 31, 1954, which is no longer required, was transferred to earned surplus.

FEDERAL INCOME TAXES

In connection with satisfaction of a Tax Court judgment against a subsidiary rendered May 11, 1954 involving Federal taxes on income for the years 1934 to 1938, and an appeal from a part of such judgment, a payment of $5,130,058, including interest of $2,604,245, was made. In addition, payments covering taxes due for the years 1939 to 1949, inclusive, were made in 1954 and totaled $7,332,453, including interest of $2,848,305. The payments of interest aggregating $5,452,550 are deductible for income tax purposes and result in a reduction of $2,944,377 in 1954 Federal income taxes.

Under the Revenue Act of 1954, certain expenses aggregating $3,491,621 applicable to 1953, reflected in earned surplus in 1954, result in a reduction of $1,885,623 in 1954 Federal income taxes. Estimated reserves for similar expenses at December 31, 1954, were provided by charges to profit and loss.

The reductions of Federal income taxes amounting to $4,830,000 resulting from the deductibility of interest and accrued expenses referred to above have not been applied to reduce the provision for income taxes in the statement of consolidated profit and loss for 1954 but have been dealt with as reductions of amounts charged directly to earned surplus and the adjustment of the reserve for prior years' taxes. Further, the reduction of taxes resulting from the accrual of $4,977,085 for vacation pay through December 31, 1953 (on which a Treasury Department ruling was obtained in 1954) was reflected in the determination of the amount of the reserve for prior years' taxes transferred to earned surplus.

EMPLOYEES' SHARE PURCHASE PLANS

Under the Employees' Stock Option Plan approved in 1952, 300,000 shares of the authorized and unissued common stock of the Company were reserved for sale to officers and other key employees. Options to purchase 113,440 shares at $51.95 per share and 73,140 shares at $57.60 per share were granted in 1952 and 1953, respectively. Pursuant to the terms of the Employees' Stock Option Plan, the number of shares and option price with respect to each option exercised or becoming exercisable after August 17, 1954, under the aforementioned grants, have been adjusted to reflect the 100% stock dividend declared on stock of the Company issued and outstanding at the close of business August 17, 1954. On November 4, 1954, options to purchase 62,528 shares at $35.95 per share were granted. Options become exercisable in cumulative periodic installments extending over the term of such options (generally ten years or to retirement date), commencing not earlier than one year from the date of grant. As of December 31, 1954, options to 1,644 employees were outstanding with respect to 401,651 shares, of which 40,957 were exercisable.

The Employees' Share Purchase Plan approved in 1944 terminated on May 15, 1954. Under this plan options were granted to officers and other key employees of the Company to purchase common stock of the Company at prices ranging from $21.75 to $45.55 per share.

During 1954, options as adjusted became exercisable with respect to 37,604 shares, having an aggregate purchase price of $1,018,557. Under the Plans, there were 45,657 shares of common stock issued in 1954 prior to the close of business August 17, 1954, and 10,165 shares subsequent thereto, and the proceeds therefrom amounting to $1,917,088 were credited to common stock and capital surplus accounts.

EARNED SURPLUS RESTRICTION

The Indenture and Supplemental Indentures under which the Debentures of the Company are outstanding contain certain provisions with respect to the payment of dividends on the common stock. Under these provisions approximately $73,000,000 of the consolidated earned surplus was not available for cash dividends at December 31, 1954.

COMPANY PENSION PLANS

Charges to costs and expenses with respect to the Company's pension plans amounted to $3,720,000 in 1954 and $4,045,000 in 1953, including payments for past service benefits. It is the intention to fund the remaining past service cost of the non-contributory plan in installments to 1981; on this basis, such unfunded past service cost at December 31, 1954, for those of the eligible employees presently covered, is estimated at $16,800,000.

INCENTIVE COMPENSATION PLANS

Under the incentive compensation plans of the subsidiaries, officers and employees were paid approximately $2,300,000 for 1954 and $2,400,000 for 1953. These plans covered in 1954 a total of 1,144 key employees, none of whom received as much as 1⅓% of the total. No officer or employee of the parent company participated in these plans.

AUDITORS' CERTIFICATE

To the Board of Directors and Stockholders of National Dairy Products Corporation:

We have examined the consolidated balance sheet of National Dairy Products Corporation (a Delaware corporation) and domestic and Canadian subsidiary companies as of December 31, 1954, and the related statements of consolidated profit and loss and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the year 1953.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated profit and loss and surplus present fairly the financial position of National Dairy Products Corporation and domestic and Canadian subsidiary companies consolidated as of December 31, 1954, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co

New York, N. Y., March 3, 1955.

NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC AND CANADIAN* SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Assets and Liabilities

(All amounts are expressed in thousands)

	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
WORKING CAPITAL										
CURRENT ASSETS										
Cash and marketable securities	$ 82,322	$ 82,598	$ 39,528	$ 42,156	$ 38,836	$ 53,593	$ 45,690	$ 30,614	$ 26,862	$ 56,295
Notes and accounts receivable (net)	49,231	50,733	50,534	46,735	38,919	32,825	36,893	36,462	30,754	21,600
Inventories	111,912	107,306	136,865	122,750	94,434	80,124	89,712	86,168	86,766	46,463
Total Current Assets	$243,465	$240,637	$226,927	$211,641	$172,189	$166,542	$172,295	$153,244	$144,382	$124,358
CURRENT LIABILITIES										
Bank loans	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,500	$ 0	$ 0
Accounts payable and accruals	72,079	58,281	54,402	54,143	47,164	42,477	40,093	40,516	43,438	33,884
Provision for Federal and Canadian income tax	36,334	49,729	42,777	39,479	30,600	22,150	16,200	15,000	20,500	28,425
Less—U. S. Government securities	(33,397)	(49,113)	(41,850)	(39,150)	(30,600)	(22,150)	0	0	(17,461)	(28,425)
Debenture sinking fund requirements and Note due within one year, less debentures held in treasury	1,750	1,415	1,850	1,850	1,850	1,100	500	500	500	500
Total Current Liabilities	$ 76,766	$ 60,312	$ 57,179	$ 56,322	$ 49,014	$ 43,577	$ 56,793	$ 63,516	$ 46,977	$ 34,384
Working Capital	$166,699	$180,325	$169,748	$155,319	$123,175	$122,965	$115,502	$ 89,728	$ 97,405	$ 89,974
PROPERTY, PLANT AND EQUIPMENT (Net)	191,490	176,384	174,528	172,699	160,050	146,132	134,316	115,138	94,873	81,693
INVESTMENTS, OTHER ASSETS AND PREPAID ITEMS	11,510	7,946	7,740	6,188	11,202	10,929	11,031	8,561	8,482	7,999
Total	$369,699	$364,655	$352,016	$334,206	$294,427	$280,026	$260,849	$213,427	$200,760	$179,666
LONG-TERM DEBT	$ 98,650	$101,400	$103,850	$105,700	$ 77,550	$ 79,400	$ 81,000	$ 48,500	$ 49,000	$ 49,500
RESERVES, etc.	2,631	14,398	13,162	11,842	11,482	11,018	25,320	24,578	23,502	17,301
Total	$101,281	$115,798	$117,012	$117,542	$ 89,032	$ 90,418	$106,320	$ 73,078	$ 72,502	$ 66,801
Book Value of Common Stock	$268,418	$248,857	$235,004	$216,664	$205,395	$189,608	$154,529	$140,349	$128,258	$112,865

NOTE: ***Canadian subsidiaries included beginning in** 1951.

NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC AND CANADIAN* SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Profit and Loss

(*All amounts are expressed in thousands, except per share and other statistics*)

	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945
INCOME:										
Net sales	$1,210,328	$1,232,126	$1,141,296	$1,066,177	$906,641	$897,675	$986,404	$897,324	$742,409	$632,769
Other income	3,902	4,582	4,191	3,746	3,298	2,445	2,465	2,438	2,023	2,424
Total income	$1,214,230	$1,236,708	$1,145,487	$1,069,923	$909,939	$900,120	$988,869	$899,762	$744,432	$635,193
INCOME DEDUCTIONS:										
Cost of products	$ 874,950	$ 912,586	$ 852,988	$ 793,857	$662,935	$668,051	$779,298	$708,069	$563,754	$476,066
Delivery expense	128,995	126,712	117,787	108,083	97,340	95,187	94,001	87,526	75,217	63,704
Selling expense	84,679	76,245	67,841	64,183	53,343	48,945	46,549	40,908	32,104	26,801
General and administrative expense	44,986	36,318	31,871	33,617	29,953	28,729	26,373	23,464	20,794	18,750
Miscellaneous charges—net	736	411	719	1,001	903	1,568	(767)	278	236	5,664
Interest on long-term debt	2,991	3,074	3,133	2,788	2,200	2,231	1,857	1,358	1,383	1,669
Federal and Canadian income taxes	39,500	50,525	43,349	39,876	30,600	22,150	16,200	15,000	20,500	28,425
Total income deductions	$1,176,837	$1,205,871	$1,117,688	$1,043,405	$877,274	$866,861	$963,511	$876,603	$713,988	$621,079
Net profit for the year	$ 37,393	$ 30,837	$ 27,799	$ 26,518	$ 32,665	$ 33,259	$ 25,358	$ 23,159	$ 30,444	$ 14,114
Appropriated to reserve for possible future inventory price declines and other contingencies	0	0	0	0	0	0	0	0	5,000**	0
Balance transferred to earned surplus	$ 37,393	$ 30,837	$ 27,799	$ 26,518	$ 32,665	$ 33,259	$ 25,358	$ 23,159	$ 25,444	$ 14,114
PAYMENTS:										
Dividends	$ 20,840	$ 19,853	$ 19,316	$ 18,460	$ 17,737	$ 13,860	$ 11,306	$ 11,295	$ 10,334	$ 8,757
Payroll	211,522	203,724	190,482	177,752	161,601	156,888	152,574	141,372	122,408	102,532
Taxes	52,333	62,758	54,668	50,944	40,924	32,110	23,824	21,963	26,723	34,651
PER SHARE OF COMMON STOCK:†										
Earnings transferred to earned surplus	$ 2.77	$ 2.31	$ 2.11	$ 2.08	$ 2.57	$ 2.63	$ 2.01	$ 1.84	$ 2.02	$ 1.12
Dividends	1.55	1.50	1.50	1.45	1.40	1.10	.90	.90	.82	.70
Taxes	3.88	4.71	4.15	3.99	3.22	2.54	1.89	1.75	2.13	2.77
Book Value	19.91	18.68	17.86	16.98	16.18	15.01	12.29	11.18	10.23	9.02
OTHER STATISTICS:										
Number of—										
Common Stockholders	63,177	62,318	63,205	63,797	64,420	66,764	67,656	67,256	67,308	67,347
Employees	45,733	45,274	44,405	44,264	43,060	43,615	44,702	44,785	41,799	37,933

NOTE: **Canadian subsidiaries included beginning in* 1951.

***Transferred to earned surplus in* 1949.

†*All prior years adjusted to give effect to the* 100% *stock dividend of September* 15, 1954.

NATIONAL DAIRY PRODUCTS CORPORATION

BOARD OF DIRECTORS

Directors whose names are marked with an asterisk are associated with organizations that are not subsidiaries of National Dairy.

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Philadelphia

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New York

*Paul C. Cabot
President, State Street Investment Corporation
Boston

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National Dairy Products Corporation

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National Dairy Products Corporation

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*W. S. S. Rodgers, *Director*
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E. E. Stewart, *President & Chairman of the Operating Committee*
National Dairy Products Corporation

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*Sidney J. Weinberg
Partner, Goldman, Sachs & Co.
New York

Raymond J. Wise, *Vice-President*
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James Bruce
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Vernon F. Hovey
K. T. Keller
Elmer J. Mather
G. C. Pound
W. S. S. Rodgers
E. E. Stewart
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Geo. H. Rutherford
E. E. Stewart
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Chairman of the Board

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Glenn Gundell
Vice-President

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Vice-President

G. C. Pound
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Vice-President

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Vice-Pres. & Asst. to Pres.

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Asst. Secretary

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C. E. Frishmuth
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C. R. Roberts
Geo. H. Rutherford
Clyde H. Shaffer
L. A. Van Bomel
J. Huber Wetenhall
Raymond J. Wise

Members of this committee are executives of National Dairy Products Corporation or subsidiary companies and are designated by the Board of Directors.

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Transfer Agent	*Registrar*	*Counsel*	*Auditors*
Manufacturers Trust Company New York, New York	The Chase National Bank of the City of New York, New York, N. Y.	Sullivan & Cromwell	Arthur Andersen & Co.

NATIONAL DAIRY PRODUCTS CORPORATION

260 MADISON AVENUE · NEW YORK 16, N. Y.

PRINCIPAL DIVISIONS

AND FOUNDING DATES

*1901 – Akron Pure Milk Co., The, Akron, O.

*1895 – Belle Vernon Milk Co., Cleveland, O.
*1883 – Breakstone Bros., Inc., New York, N. Y.
*1866 – Breyer Ice Cream Co., Philadelphia, Pa.

*1892 – Castles Ice Cream Co., Newark, N. J.
*1896 – Chapman Dairy Co., Kansas City, Mo.
*1885 – Chestnut Farms-Chevy Chase Dairy Co., Washington, D. C.
1917 – Clover Dairy Co., The, Wilmington, Del.
*1870 – Clover Farm Dairy Co., Memphis, Tenn.
1927 – Cloverland Dairy Products Corp., New Orleans, La.
1928 – Cloverleaf Creameries, Inc., Huntington, Ind.
1925 – Consolidated Dairy Products Co., Inc., Long Island City, N. Y.
1915 – Consolidated Products Co., Danville, Ill.
*1904 – Consumers Dairy Co., Union City, N. J.

†1847 – Deerfoot Farms Co., Southboro, Mass.
1951 – Delaware Valley Dairy, Inc., Trenton, N. J.
*1900 – Detroit Creamery Co., Detroit, Mich.
1927 – Dodds Alderney Dairy, Inc., Buffalo, N. Y.

1907 – Ebling Creamery Co., Detroit, Mich.
*1900 – Erie County Milk Association, Erie, Pa.
*1885 – Ewing-Von Allmen Dairy Co., Louisville, Ky.

*1899 – Franklin Ice Cream Co., Kansas City, Mo.
1907 – Frechtling Dairy Co., Hamilton, O.

1926 – Garden Farm Dairy, Inc., Denver, Colo.
1925 – General Ice Cream Corp., Schenectady, N. Y.

*1900 – Harding Co., The, Omaha, Neb.
1918 – Hiland Dairy Co., Newport, Ky.
1930 – Humko Co., The, Memphis, Tenn.
1914 – Hydrox Corp., Chicago, Ill.
1925 – Hydrox Ice Cream Co., Inc., Long Island City, N. Y.

1930 – Kentucky Dairies, Inc., Louisville, Ky.
*1903 – Kraft Foods Co., Chicago, Ill.
    Kraft Foods Co. of Wisconsin, Green Bay, Wis.
    Kraft Foods Limited, Hayes, England.
    Kraft Foods Limited, Melbourne, Australia
    Kraft Foods Limited, Montreal, Quebec, Canada
    Kraft-Kaese-Werke, G.m.b.H., Lindenberg, Bavaria, Germany

1906 – Luick Dairy Co., Milwaukee, Wis.
*1897 – Luick Ice Cream Co., Milwaukee, Wis.

1913 – Matthews-Frechtling Dairy Co., The, Cincinnati, O.
1906 – Merchants Cold Storage Co., Cincinnati, O.
*1889 – Muller Dairies, Inc., New York, N. Y.

1913 – Nashville Pure Milk Co., Nashville, Tenn.
1927 – National Dairy Products Co., Inc., Chicago, Ill.
1927 – National Dairy Research Laboratories, Inc. Oakdale, N. Y.

1919 – Ohio Clover Leaf Dairy Co., Toledo, O.

1933 – Plains Creamery, Inc., Amarillo, Tex.

*1872 – Rieck Dairy Co., Pittsburgh, Pa.
*1872 – Rieck Ice Cream Co., Pittsburgh, Pa.
*1876 – J. D. Roszell Co., Peoria, Ill.

*1868 – St. Louis Dairy Co., St. Louis, Mo.
*1901 – Sanitary Milk Co., The, Canton, O.
1953 – Sheffield Chemical Co., Inc., Norwich, N. Y.
†1841 – Sheffield Farms Co., Inc., New York, N. Y.
*1901 – Southern Dairies, Inc., Charlotte, N. C.
1910 – Sugar Creek Creamery Co., Danville, Ill.
†1804 – Supplee-Wills-Jones Milk Co., Philadelphia, Pa.

*1895 – Telling Ice Cream Co., Cleveland, O.

*1890 – Union Ice Cream Co., Nashville, Tenn.

*1871 – Western Maryland Dairy, Inc., Baltimore, Md.
1920 – White Ice Cream & Milk Co., Wilmington, N. C.

1914 – Youngstown Sanitary Milk Co., Youngstown, O.

**Operating for 50 years or more*

†Operating for 100 years or more

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Kay NATURAL AMERICAN CHEDDAR CHEESE made from pasteurized milk
Mt. hope Natural COLBY CHEESE
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Breakstone's CALIFORNIA STYLE CREAMED COTTAGE CHEESE
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Butter Pats
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EGG NOG
Sealtest
EGG
Sealtest
PASTEURIZED
MILK
Sealtest
ICE CREAM
Sealtest
ICE CREAM
SOUR CREAM
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Regency
ice cream
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Caramels
KRAFT
dairy fresh
Caramels
KRAFT
De Luxe
SLICES
8
PASTEURIZED PROCESS
AMERICAN CHEESE
Breakstone's
POT
CHEESE
Breakstone's
POT
CHEESE
PASTEURIZED
KRAFT
SHREDDED
Parmesan
CHEESE
KRAFT mustard
KRAFT
pimento
Casino
GOUDA CHEESE
Sealtest
ICE CREAM
NEAPOLITAN
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Mustard
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SHARP
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Breakstone's
FRENCH
ICE CREAM
Breakstone's
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Butter
Nippy
SHARP
Sealtest
SWEET CREAM
Sealtest
MELLOW
Cracker Barrel
Breakstone's